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July 29, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, DC 20554

Re: Application for Consent to the Transfer of
Control of Licenses from MediaOne Group, Inc. to
AT&T Corp.

CS Docket No. 99-251

Dear Ms. Salas:

On July 28, 1999, Joan Marsh and Steve Garavito of AT&T Corp., Susan Eid and Sean Lindsay of MediaOne Group, Inc., and Michael Hammer and Michael Jones of Willkie Farr & Gallagher met with the following Commission staff members with regard to the above-referenced application: To-Quyen Troung, Darryl Cooper, Imani Ellis-Cheek, Anne Levine, William Johnson, Andrew Wise and Sunil Daluvoy of the Cable Bureau, and Jason Oxman of the Office of Plans and Policy.

We discussed the application and the public interest statement which was filed by AT&T Corp. and MediaOne Group, Inc. with the Commission on July 7, 1999. In particular, we discussed the sale of AT&T's interest in Falcon Communications, L.P., the reduction below five percent of AT&T's interest in the cable systems owned by Bresnan Communications Co., Ltd. Partnership, and the sale of AT&T's interests in certain cable systems to Cox Communications, Inc. In addition, we discussed the terms of the "Comcast Exchange" referenced in footnote 12 of the public interest statement and changes to AT&T's interest in Intermedia Capital Partners IV, L.P. Finally, using the attached presentation, we discussed MediaOne's interests and rights in the Time Warner Entertainment partnership and how those interests and rights will change after the proposed merger of AT&T and MediaOne.

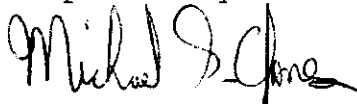
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An original and one copy of this letter is submitted
herewith in accordance with Section 1.1206(b) of the
Commission's rules.

Respectfully submitted,


Michael G. Jones

Attachment

cc: To-Quyen Troung
Darryl Cooper
Imani Ellis-Cheek
Anne Levine

Andrew Wise
William Johnson
Sunil Daluvoy
Jason Oxman



Time Warner Entertainment (TWE)

July 28, 1999

Overview of TWE Business

- TWE business falls into four major areas:
 - ◆ programming (e.g., HBO)
 - ◆ filmed entertainment (Warner Bros. studios)
 - ◆ television broadcasting (the WB Network).
 - ◆ cable television (MVPD)
- Time Warner holds major assets outside of partnership:
 - ◆ publishing (Time Inc.);
 - ◆ music
 - ◆ Turner Broadcasting assets (acquired late 1996)
 - ◆ additional cable (acquired after formation of TWE).

***MediaOne has co-management rights over TWE Cable,
but only limited rights over the remaining TWE business***

- TWE Management Committee (Cable)
 - ◆ Management Committee "shall have and exercise full discretion and final authority with respect to the business and affairs of the Full Service Network" (TWE Cable)
 - ◆ 6 voting members - 3 members designated by MediaOne Group
 - Actions must be approved by a majority of members
 - ◆ In addition to general authority, a number of specific actions require Management Committee approval.
 - ◆ Right to appoint Chairman in alternate years
- TWE Board
 - ◆ 6 voting members - 2 members designated by MediaOne
 - ◆ Limited scope of authority -- standard limited partner rights

TWE Cable Management Committee Rights

The TWE Partnership Agreement specifies a number of matters requiring prior approval of the Cable Management Committee (CMC):

- Acquisition, sale or encumbrance of TWE Cable assets over dollar thresholds set by CMC
- Approval of TWE Cable annual business plan, budget and variances from budget in excess of thresholds set by CMC
- Acquisition, disposition or amendment to any material cable franchise
- Commencement or settlement of material litigation
- Approval of certain material transactions between TWE Cable and Time Warner
- Designating the officers of TWE Cable.

TWE Limited Partner Voting Rights

The TWE partnership agreement also provides MediaOne with standard limited partnership rights:

- Amendments to the Partnership Agreement
- Merger or consolidation
- Sale of TWE assets above certain thresholds (10% of TWE revenues or 10% of total assets)
- Acquisitions in excess of \$750M or 7.5% annual revenues
- Engaging in a new line of business
- Issuance or sale of any Partnership¹ interests other than as permitted under the Partnership Agreement
- Approval of certain relationships between TWE and Time Warner
- Dissolution or voluntary bankruptcy
- Cash distributions other than as provided in the Partnership Agreement
- Incurrence of indebtedness in excess of certain leverage ratios

Audit / Information Rights

UMG also has audit rights and other rights to TWE information:

- Audit rights -- Subject to confidentiality restrictions, right to audit, visit facilities of partnership, and discuss affairs of Partnership with its officers, employees, attorneys etc.
- Review of external auditors workpapers
- Reports, budgets, and plans -- copies of all monthly reports, budgets, and business plans
- Related-party transaction summary
- Any additional financial information and statements we may reasonably request

Change in MediaOne Partnership Rights

Existing MediaOne Rights:

- Appoint 3 of 6 Management Committee members
- Receive information about cable division
- Receive information about TWE and audit books and records
- Receive information under Turner FTC Consent Order
- Standard Limited Partner Rights

Effect of ATT Merger:

- • Terminates upon change of control at closing
- • Terminates at closing or termination of non-compete
- • Terminable at TWE option upon termination of non-compete
- • Terminates upon closing with Management Committee change
- • Continue post-merger